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Department of State

TELEGRAM

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ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 EA-11 ADP-00 CIAE-00 DODE-00
PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01
PRS-01 SS-15 USIA-15 DEAE-00 IO-13 JUSE-00 SNM-02
SY-10 TRSE-00 SCI-06 OMB-01 AID-20 OPR-02 COME-00
EB-11 FRB-02 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01
AGR-20 PC-15 ABF-01 FS-01 PER-05 SCS-03 SCA-01 RSR-01

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R 010745Z AUG 73
FM AMEMBASSY KABUL
TO SECSTATE WASHDC 4486
INFO AMEMBASSY ISLAMABAD
AMEMBASSY KATMANDU
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY NEW DELHI
AMEMBASSY SEOUL
AMEMBASSY TRIPOLI
AMEMBASSY TEHRAN
AMEMBASSY BONN
AMEMBASSY ROME
CINCPAC FOR POLAD

DEPARTMENT OF STATE A/CDC/MB
DATE 6/15/75
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C O R R E C T E D C O

E.O. 11652: N/A
TAGS: PINT, PFOR, AF, KS, KN, LY
SUBJECT: CURRENT AFGHAN SCENE
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REF: KABUL 5634 (NOTAL) (m)

1. WITH PROMULGATION JULY 28 OF THREE DECREES ABOLISHING MONARCHY AND PARLIAMENT AND ESTABLISHING LEGAL BASIS FOR REPUBLICAN GOVERNMENT TO OPERATE (REFTEL), DAUD REGIME TOOK FIRST BASIC STEPS TO INSTITUTIONALIZE ITS CONTROL. CENTRAL COMMITTEE HELD LONG MEETINGS JULY 28 AND 29 AND STORIES NOW EMERGING THAT CABINET WILL BE APPOINTED WITHIN 3-4 DAYS., I.E., AUGUST 1 OR 2. MANY NAMES REPORTED TO BE IN LINE FOR MINISTERIAL APPOINTMENTS ARE FLYING AROUND KABUL RUMOR MILL INCLUDING EX-PRIME MINISTER MAIWANDAL AND EX-MINISTER OF PUBLIC HEALTH DR. MAJID SERAJ.

2. CENTRAL COMMITTEE HAS REPORTEDLY APPOINTED SECURITY COMMITTEES IN EACH PROVINCE AND TRAVELLERS RETURNING TO KABUL REPORT PROVINCES TO BE CALM WITH FEW SIGNS OF ACTIVE MILITARY PRESENCE. POPULACE IS GIVING LOW KEY ORAL SUPPORT TO NEW REGIME BUT SOME AFGHAN SOURCES INDICATE ENTHUSIASM FOR DAUD IN SUCH KEY AREAS AS KANDAHAR AND JALALLABAD IS LESS THAN OVERWHELMING. SITUATION IS STILL ONE OF WAITING FOR NEW GOVERNMENT TO ANNOUNCE A CABINET AND MOVE FORWARD WITH GOVERNING. UNTIL THIS IS DONE DESTABILIZING AND POSSIBLY DANGEROUS TALK OF DRIFT AND LACK OF LEADERSHIP WILL GO ON, TALK WHICH COULD BECOME SELF-FULFILLING. GIVEN HIS WELL-KNOWN STRONG PERSONALITY AND DECISIVENESS THAT CHARACTERIZED DAUD'S PREVIOUS REGIME, CONTINUED ABSENCE OF CONSTITUTED EXECUTIVE AUTHORITY COULD EASILY BE CONSTRUED BY BOTH POTENTIAL OPPOSITION AND GENERAL POPULACE AS EVIDENCE THAT DAUD NOT FIRMLY IN CONTROL. EMBASSY HAS ALREADY HEARD SOME TALK THAT RELIGIOUS LEADERS ARE NOT HAPPY WITH NEW REGIME, AND WE ARE WATCHING SITUATION CLOSELY AS IT HAS POTENTIAL TO BE RALLYING POINT FOR OPPOSITION.

3. GENERAL DEVELOPMENTS:

NARCOTICS: DAUD GOVERNMENT HAS EXPRESSED STRONG INTEREST IN NARCOTICS ENFORCEMENT IN WRITTEN STATEMENT GIVEN TO TIME/LIFE REPORTER, DAUD STRONGLY EXPRESSED WILLINGNESS OF REPUBLICAN GOVERNMENT TO COOPERATE IN BOTH BILATERAL AND MULTILATERAL EFFORTS IN DRUG ENFORCEMENT PROGRAMS.

4. TRAVEL: THERE IS NO GENERAL PROHIBITION ON FOREIGNERS

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TRAVELLING OUTSIDE KABUL AND UN PERSONNEL NO RPT NO LONGER HAVE TO GET ADVANCE PERMISSION FROM MINISTRY OF FOREIGN AFFAIRS FOR OFFICIAL TRIPS. STATE UNIVERSITY OF NEW YORK (SUNY) TEAM WHICH HAS LARGE PROVINCIAL TRAVEL REQUIREMENT, HAS BEEN VISITED BY REPRESENTATIVES OF CENTRAL COMMITTEE WHO AFTER SOME POLITE DISCUSSIONS WITH AFGHAN COUNTERPARTS AND DEPUTY MINISTER OF PLANNING GAVE SPECIFIC APPROVAL FOR PROJECT AND OK'D RESUMPTION OF FULL TRAVEL SCHEDULE. FOREIGNERS TRAVELLING ON VACATION OR IN NON-OFFICIAL STATUS DO NOT REQUIRE ADVANCE PERMISSION. HOWEVER, AFGHAN TOUR IS NOT PERMITTED TO OPERATE OUTSIDE KABUL SINCE THEY DID NOT PAY IMPORT DUTIES ON THEIR VEHICLES. (AFGHAN TOUR IS A SEMI-GOVERNMENT ORGANIZATION - BUT SUCH ORGANIZATIONS MUST SEEK SPECIFIC WAIVER OF DUTIES -- IT IS NOT AUTOMATIC.

RECOGNITION: PRESIDENT KIM IL SUNG OF NORTH KOREA SENT TELEGRAM OF RECOGNITION ON JULY 26 TO PRESIDENT DAUD SAYING

" HIS GOVERNMENT...HOPED THAT MUTUAL RELATIONS BETWEEN THE TWO GOVERNMENTS WILL BE EXPANDED." THUS, DEMOCRATIC PEOPLES REPUBLIC BECOMES FIRST OF THE TWO KOREAS TO RECOGNIZE NEW REGIME. (AFGHANISTAN HAS NOT YET ESTABLISHED DIPLOMATIC RELATIONS WITH EITHER ONE.) IN PAST FEW MONTHS THERE HAS BEEN CONSIDERABLE JOCKEYING BY BOTH KOREAS OVER QUESTION OF DIPLOMATIC AND EARLY ACTION BY NORTH KOREA MIGHT FAVORABLY INFLUENCE DAUD REGIME.

6. SOVIETS: IN TELEGRAM DATED JULY 24, BREZHNEV, PODGORNYY AND KOSYGIN ALL CONGRATULATED DAUD ON HIS "ELECTION OF THE PRESIDENT AND PRIME MINISTER OF THE REPUBLIC.." AND "HOPE... MULTILATERAL COOPERATION PREVAILING BETWEEN THE SOVIET UNION AND AFGHANISTAN WILL SUCCESSFULLY DEVELOP IN THE FUTURE.

7. LIBYAN DELEGATION INVITES DAUD TO VISIT: LIBYAN GOODWILL DELEGATION HEADED BY SHAIKH MAHMOOD SOBHI ARRIVED KABUL JULY 28 BY PRIVATE JET AND IN AUDIENCE WITH DAUD THAT EVENING DECLARED, ALONG WITH STATEMENT OF OFFICIAL RECOGNITION, INVITATION FROM QADDAFI FOR VISIT. INVITATION WAS ACCEPTED BUT NO DATE SET. FOR TRIPOLI: NEWSPAPER ARTICLE AND PICTURE BEING AIRPOUCHED.

8. FOOD PRICE REDUCTIONS LEAD TO MARKET SHORTAGES IN KABUL.

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ONE OF FIRST ACTS OF NEW REGIME WAS TO ORDER SHARP REDUCTIONS IN PRICES ON SUCH STAPLES AS WHEAT FLOUR, RICE, COOKING OIL, BEEF, MUTTON, SUGAR, POTATOES, FIREWOOD, ETC. PRICE REDUCTIONS BEING ENFORCED BY MUNICIPALITY BACKED BY SOLDIERS; IN MANY CASES, NEW PRICES ARE BELOW DEALER ACQUISITION PLUS TRANSPORTATION COST. STERN MEASURES WERE NECESSARY INITIALLY TO PREVENT HOARDING BUT CONTINUANCE OF UNREALISTICALLY LOW FOOD PRICES WILL RAPIDLY LEAD TO BLACKMARKETS AND SHORTAGES. FIRST QUALITY BEEF, MUTTON AND FLOUR ARE ALREADY EXTREMELY SCARCE AND VEGETABLES WILL PROBABLY BE NEXT. IF SEVERE SHORTAGES DEVELOP IN KABUL AREA, POLITICAL FALLOUT COULD BE DANGEROUS.

9. CURRENCY CONTROLS: TOURISTS ARRIVING BY AIR AS OF JULY 28 REQUESTED FILL OUT CURRENCY DECLARATION. UPON DEPARTURE MUST ACCOUNT FOR CURRENCY EXPENDED BY RECEIPTS FROM DA AFGHANISTAN BANK (CENTRAL BANK). STARTING MORNING, AUGUST 1, DEPARTING RESIDENTS (UNDP PERSONNEL, PEACE CORPS VOLUNTEERS INCLUDED; UNCERTAIN AS YET ABOUT DIPLOMATS OR USAID PERSONNEL) LIMITED TO \$50 IN ANY FORM FOREIGN EXCHANGE INCLUDING TRAVELLERS CHECKS, PERSONAL CHECKS APPARENTLY EXEMPTED - BANKS WILL ISSUE LETTERS OF CREDIT, TELEGRAPHIC TRANSFERS, ETC., SO LONG AS FUNDS ARE FOR BONA FIDE TRANSACTIONS. BAZAAR WILL PURCHASE PERSONAL AND TRAVELLERS CHECKS BUT AT LARGE DISCOUNT, I.E., AFS 61 FOR CASH DOLLAR, AFS 54 FOR CHECKS. HOWEVER, SITUATION IS STILL EVOLVING AND TO DATE NO OFFICIAL DECREE HAS BEEN ISSUED. WE ARE UNDERTAKING INQUIRIES AND WILL REPORT ONCE NEW FOREIGN EXCHANGE CONTROL SYSTEM CLARIFIED.

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